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SERVICE DATE - MAY 11, 1999

SURFACE TRANSPORTATION BOARD

DECISION

STB Docket No. AB-33 (Sub-No. 132X)

UNION PACIFIC RAILROAD COMPANY--ABANDONMENT
EXEMPTION--IN RIO GRANDE AND MINERAL COUNTIES, CO

IN THE MATTER OF AN OFFER OF FINANCIAL ASSISTANCE

Decided: May 6, 1999

Union Pacific Railroad Company (UP) filed a notice of exemption under 49 CFR 1152 Subpart F--Exempt Abandonments and Discontinuances of Service and Trackage Rights to abandon and discontinue service over a 21.6-mile line of railroad known as the Creede Branch, extending from milepost 299.3 near Derrick to the end of the line at milepost 320.9 at Creede, in Rio Grande and Mineral Counties, CO. Notice of the exemption was served and published in the Federal Register on January 25, 1999 (64 FR 3740-41). The exemption was originally scheduled to become effective on February 24, 1999, but the effective date has been postponed to permit the offer of financial assistance (OFA) process to go forward. OFAs were filed by the Denver & Rio Grande Railway Historical Foundation (D&RGHF) and by the Rio Grande & San Juan Railroad Co. (RG&SJ), both of which were found to be financially responsible.

Because there were two offers from financially responsible entities, UP was directed to provide written notification of its selection of the offeror with which it wished to transact business, and UP selected D&RGHF. RG&SJ subsequently appealed the Board's acceptance of D&RGHF's offer. The Board denied RG&SJ's appeal but provided UP the opportunity to make a new selection of a negotiating party or confirm its earlier selection. UP subsequently confirmed its earlier selection of D&RGHF. On April 28, 1999, UP and D&RGHF advised the Board that they have reached agreement for the purchase and sale of the rail line.

When a person offering to purchase a line and the carrier enter into a purchase agreement, the Board will approve the agreement and dismiss the abandonment exemption. See 49 U.S.C. 10904 and 49 CFR 1152.27(f)(2). Accordingly, the sale will be approved, and the abandonment exemption will be dismissed.

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. Under 49 U.S.C. 10904, D&RGHF is authorized to acquire the rail line from milepost 299.3 near Derrick to the end of the line at milepost 320.9 at Creede.
2. Under 49 U.S.C. 10904 and CFR 1152.27(f)(2), the abandonment exemption is dismissed, effective on the date the sale is consummated.
3. This decision is effective on its service date.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams
Secretary